

Message Text

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51

ORIGIN OPIC-06

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FM SECSTATE WASHDC

TO AMEMBASSY SANTO DOMINGO IMMEDIATE

AMEMBASSY PANAMA IMMEDIATE

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PANAMA PLEASE PASS TO OPIC COUNSEL LUBLIN, TDY AT
INTERCONTINENTAL HOTEL

E.O. 11652: N/A

TAGS: EFIN, EINV

SUBJECT: HOTELES DEL CARIBE - LUBLIN TDY

REF: (A) STATE 96340, (B) SANTO DOMINGO 2040, (C) SANTO DOMINGO
1150

1. OPIC APPRECIATES EMBASSY'S CONCERN FOR CLOSER COORDINATION
IN OPIC'S REVIEW OF THE PROPOSED LOAN TO HOTELES DEL CARIBE
AND REGRETS ANY MISUNDERSTANDINGS. THE PAUCITY OF COMMUNICATION
FROM OPIC RESULTED FROM A LONG PERIOD OF TIME DURING WHICH
THERE WAS LITTLE OPIC ACTION REGARDING THE LOAN APPLICATION WHILE
THE SPONSORS WERE ARRANGING OTHER ELEMENTS OF THE FINANCING,
PROVIDING ADDITIONAL INFORMATION TO OPIC AND NEGOTIATING
AGREEMENTS WITH THE HOTEL OPERATING COMPANY. ALSO SHORTLY
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BEFORE PRESENTATION TO OPIC'S INVESTMENT COMMITTED THERE WAS

A CHANGE IN INVESTMENT OFFICERS ON THE PROJECT RESULTING
IN SOME COMMUNICATION BREAKDOWNS.

2. AS PRESENTED TO OPIC'S INVESTMENT COMMITTEE IN DECEMBER,
THE HOTELES DEL CARIBE PROJECT WAS SUBSTANTIALLY AS DESCRIBED
TO THE EMBASSY LAST APRIL. IN MAY, OPIC REQUESTED EMBASSY
COMMENTS REGARDING THE PROJECT PER REF. A IN ORDER TO SUBMIT
THE LOAN FOR CONSIDERATION BY OPIC'S INVESTMENT COMMITTEE.
FOLLOWING RECEIPT OF THE EMBASSY'S FAVORABLE COMMENTS
PROVIDED REF. B, OPIC ASSEMBLED SUBSTANTIAL ADDITIONAL INFORMATION
REGARDING THE PROJECT BEFORE THE APPLICATION WAS CONSIDERED BY
OPIC'S INVESTMENT COMMITTEE. THE POINTS RAISED REF B WERE
THOROUGHLY REVIEWED AND CONSIDERED TO BE LEGITIMATE BUSINESS
RISKS.

3. IF EMBASSY BELIEVES FURTHER CONCERNS SHOULD BE DISCUSSED
DIRECTLY WITH INVESTMENT OFFICER FAMILIAR WITH PROJECT PRIOR
TO CONTINUED NEGOTIATION AND EXECUTION OF LOAN AGREEMENT OPIC
PREPARED TO HAVE HIM VISIT EMBASSY ASAP.

4. ALTHOUGH LUBLIN IS NOT FAMILIAR WITH THE DETAILS OF THIS
PROJECT, HE IS CAPABLE OF JUDGING THE QUALIFICATIONS OF LOCAL
COUNSEL AND HIS TDY TO SANTO DOMINGO IS A FRUGAL ADDITION TO
HIS TDY TO PANAMA. THE ATTORNEYS TO BE INTERVIEWD BY LUBLIN
WERE SELECTED FROM THE EMBASSY LIST, PER PARA 7, REF B, AND
BASED ON ADDITIONAL REFERENCES GATHERED BY OPIC. OPIC WISHES
TO INTERVIEW MORE THAN ONE FIRM PARTLY BECAUSE SEVERAL INVESTORS
ARE INVOLVED IN THE PROJECT AND CONFLICTS OF INTEREST MAY PREVENT
ONE OR MORE FIRMS FROM BEING IN A POSTION TO REPRESENT OPIC
RE THIS LOAN. SUCH INTERVIEWS ALSO WILL FACILITATE THE HIRING
OF COUNSEL RE POSSIBLE FUTURE OPIC PROJECTS IN THE D.R.

5. OPIC CONCURS IN AND INSTRUCTS LUBLIN TO SEE AMBASSADOR
PRIOR TO ANY APPOINTMENTS IN SANTO DOMINGO. OPIC PREPARED TO
ROUTE ALL CORRESPONDENCE THROUGH EMBASSY TO LOCAL COUNSEL.
HOWEVER, OPIC HAS DISCOVERED THAT THE ADMINISTRATIVE BURDEN
PLACED ON THE EMBASSY IN DELIVERING MESSAGES TO AND FROM
CAN BE REDUCED BY OPIC TELEXING OR TELEPHONING LOCAL COUNSEL.
SUCH MESSAGES COVER THE MECHANICS AND OTHER DETAILS INVOLVED
IN AN OPIC FINANCE TRANSACTION AND DO NOT INVOLVE USG/HOST
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GOVERNMENT RELATIONS. THE LATTER WILL GO THROUGH EMBASSY.
LUBLIN IS PREPARED TO DISCUSS ABOVE, AND TO WORK OUT MODUS.

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